

July 6, 2010

AUBURN, NY - Today, U.S. Rep. Michael Arcuri (NY-24) joined management and employees at Nucor to discuss his latest efforts to protect jobs at facilities like Nucor Steel and other local manufacturers across Upstate New York. Arcuri has long been critical of unfair trade practices by foreign governments, such as currency manipulation, which put local manufacturers at a competitive disadvantage with foreign-made goods.

"Our manufacturers aren't seeking a handout or asking for any unfair advantage, they are just looking for a level playing field so that they can fairly compete internationally," **Arcuri said.** "Without action we face the possibility of losing thousands of fair-wage manufacturing jobs in Upstate New York alone. It is time to take real action in Washington, which begins by addressing the unfair trade practices being utilized by countries like China."

"Congressman Arcuri is an independent voice, always considering the impact of policies on jobs in the district and on middle-class, working Americans," **said Mary Emily Slate, General Manager of Nucor Steel Auburn, Inc**

"The Congressman agrees that we must hold our trading competitors accountable for the rules they agreed to follow-and enforcing those trade laws is not 'protectionist!' We appreciate the Congressman's eagerness to come to Auburn, see what we do here, roll up his sleeves and work with us to strengthen American manufacturing."

On June 29, 2010, Arcuri joined several colleagues in calling on House Committee on Ways and Means Chairman Sander Levin to take immediate action on *the Currency Reform and Fair Trade Act (H.R. 2378)* , which has yet to be considered by the committee. H.R. 2378 imposes countervailing and anti-dumping duties on countries that manipulate their currencies in a matter that is consistent with WTO trade remedies. These remedies are imposed only when the U.S. International Trade Commission determines that the unfair practice has caused or threatens to cause material injury to U.S. companies and workers.

The manipulation of the Chinese currency occurs because China pegs its currency, the renminbi (RMB), to the U.S. dollar at a fixed exchange rate. Economists estimate that this exchange rate undervalues the RMB anywhere between 15% and 40%. Maintaining its

currency at a devalued exchange rate effectively provides a subsidy to Chinese companies and unfairly disadvantages foreign competitors. U.S. exports to the country cannot compete with the low-priced Chinese equivalents, and domestic American producers are similarly disadvantaged in the face of subsidized Chinese imports.

The devaluation of the RMB also exacerbates the already severe U.S-China trade deficit. Statistics show that between January 2000 and May 2009, China's share of the U.S. trade deficit for non-oil goods grew from 26% to 83% -- an untenable pattern for American manufacturers. And finally, China's exchange-rate misalignment threatens the stability of the global financial system by contributing to rampant Chinese inflation and accumulation of foreign reserves.

BACKGROUND

Arcuri has continuously supported policies that protect American businesses from unfair trade practices and promote local job growth including:

- On March 15, 2010, Arcuri sent a letter to U.S. Department of the Treasury Secretary Timothy Geithner and U.S. Department of Commerce Secretary Gary Locke expressing concern over China's ongoing manipulation of its currency and outlined actions necessary to restore fair trade save U.S. manufacturing jobs including the inclusion of China in the Department's bi-annual report on currency manipulation.
- Fought to include "Buy America" provisions in the Recovery Bill to ensure that goods used in infrastructure projects are manufactured here at home from domestic raw materials;
- Sent letters in December 2009 and February 2010 to U.S. Department of Energy Secretary Steven Chu urging him to reject the \$450 million request for Recovery Bill Funding for a wind farm project in West Texas that plans to use turbines manufactured in China;
- Co-sponsoring of H. R. 2378, the Currency Reform for Fair Trade Act, which would

prevent foreign trading partners from manipulating their currency to gain an unfair advantage;

- Co-sponsoring of H. R. 3012, the TRADE Act, which would mandate trade pact reviews, establish standards, protect workers and help restore congressional oversight of future trade agreements;

- Co-sponsoring of H.R. 4351, the Buy American Improvement Act, which would close the vague "waiver" process that allows government procurements to avoid buying domestically-produced goods, increase transparency, and create American jobs;

- Co-sponsoring of H.R. 4692, the National Manufacturing Strategy Act, which would require the administration, in consultation with a new Manufacturing Strategy Board made up of 21 industry leaders and stakeholders, to analyze the nation's manufacturing sector and develop a strategy for enhancing U.S. competitiveness and promoting its success in the global economy;

- Voted against the Peru Free Trade Agreement; and,

- In 2007, testified before both the House Ways and Means Committee and the International Trade Commission to advocate for legislation to address China's unbalanced trade practices and highlight the importance of enforcing and strengthening U.S. trade laws.

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